

CareFirst BlueCross BlueShield
10455 Mill Run Circle
Owings Mills, MD 21117-5559

Letter of Participation



January 9, 2002

Mr. William L. Jews
President and Chief Executive Officer
CareFirst, Inc.
10455 Mill Run Circle
Owings Mills, MD 21117

Dear Bill,

We are pleased to advise you that the Board of Directors has selected you to be a Participant in the CareFirst Merger Incentive Plan (the "Plan"), a copy of which is attached and is a part of this Letter of Participation. All capitalized terms used in this Letter of Participation have the meaning set forth in the Plan.

Under the Plan, you may receive a Merger Incentive Bonus in the event that a Sale or Disposition occurs and one of the employment conditions specified in Section 3(a)(i) or (ii) of the Plan is satisfied. Please read the attached copy of the Plan carefully to understand the terms and conditions under which such Merger Incentive Bonus will be paid.

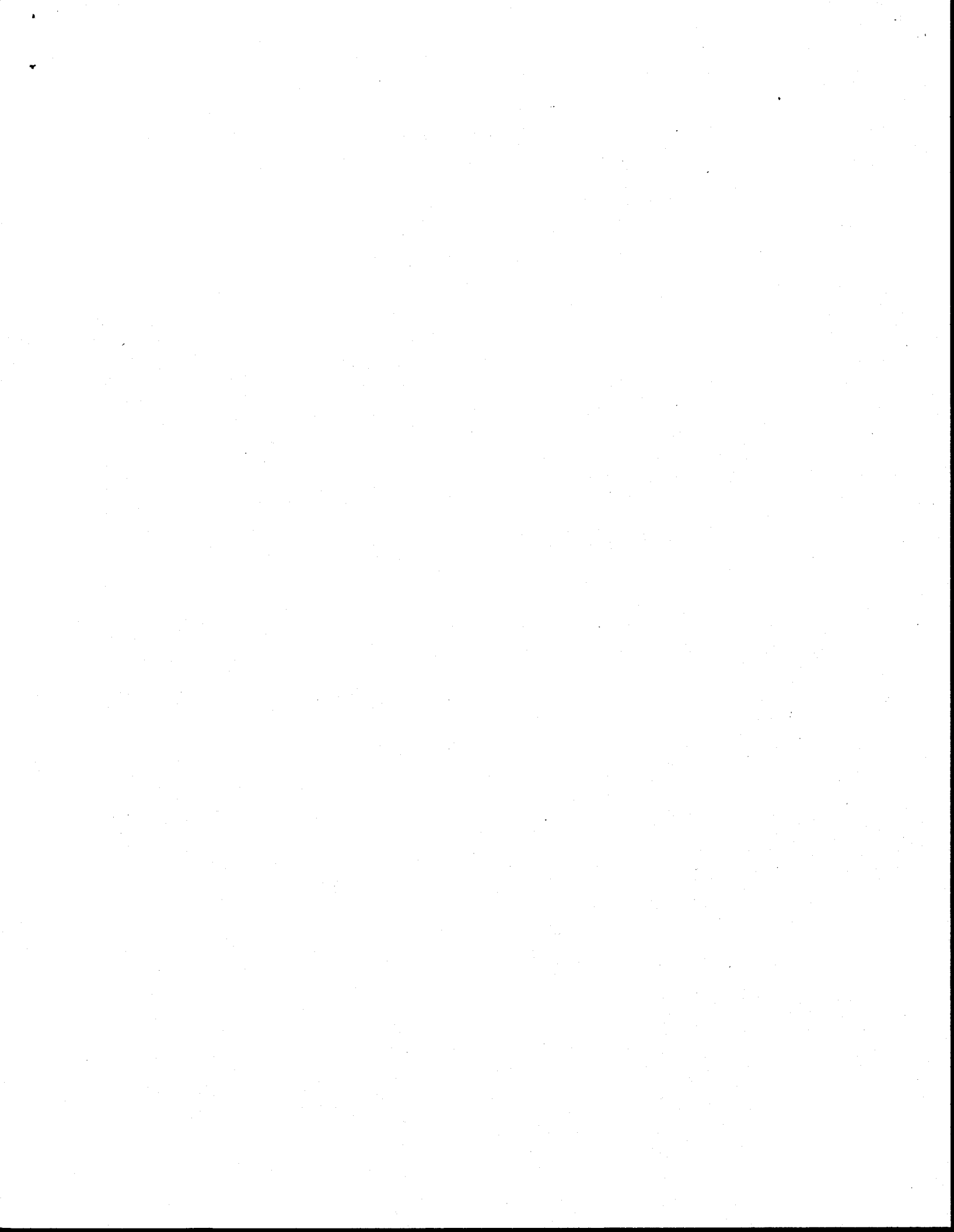
In the event that there is a Sale or Disposition covered by the Plan and one of the employment conditions specified in Section 3(a)(i) or (ii) of the Plan is satisfied, your Merger Incentive Bonus will be equal to seven-tenths of one percent (0.7%) of the Merger Consideration.

In the event that there is a Sale or Disposition covered by the Plan to which WellPoint Health Networks Inc. is a party, you will receive a cash severance payment (the "Severance Payment"), payable in a single payment on the later of the fifth (5th) business day after you terminate employment or the eighth (8th) calendar day after you execute the Waiver in accordance with Section 5 of the Plan, if the following conditions are satisfied: (i) you are employed with the Company and/or an Affiliate continuously from the Effective Date through the Closing Date, and (ii) you resign from employment with the Company and its Affiliates other than for Good Reason on or after the Closing Date and before you have either received cash payment of the Merger Incentive Bonus or become 100% vested in the restricted shares granted to you pursuant to Section 3(d) of the Plan (the "Restricted Share Grant").

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Payment of the Severance Payment will be in lieu of your right to receive cash payment of the Merger Incentive Bonus; not in addition to such right.

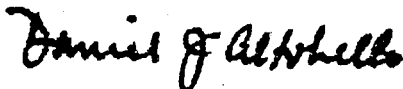
The amount of the Severance Payment will be determined as follows:

- (i) if the Restricted Share Grant is not made to you, then the Severance Payment will be equal to the amount of the cash Merger Incentive Bonus which you otherwise would have become entitled to receive had your employment with the Company continued through the first anniversary of the Closing Date (the "Cash Bonus Amount"); and
- (ii) if the Restricted Share Grant is made to you, then (1) if such termination of your employment occurs before the first anniversary of the Closing Date, the Severance Payment will be equal to 100% of the Cash Bonus Amount; (2) if such termination of your employment occurs after the first, but before the second anniversary of the Closing Date, the Severance Payment will be equal to two-thirds ($2/3^{\text{rd}}$) of the Cash Bonus Amount; and (3) if such termination of your employment occurs after the second, but before the third, anniversary of the Closing Date, the Severance Payment will be equal to one-third ($1/3^{\text{rd}}$) of the Cash Bonus Amount.

You will become a Participant in the Plan only if you sign and return a copy of this Letter of Participation to me by January 18, 2002.

If you have any questions regarding your participation in the Merger Incentive Plan, please call me.

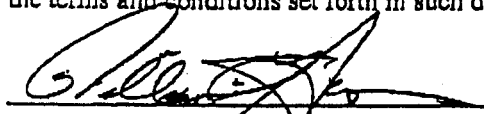
Sincerely,



Daniel J. Altobello
Chairman, CareFirst, Inc.
Board of Directors

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I hereby acknowledge that I have received and read the copy of the CareFirst Merger Incentive Plan delivered to me with this Letter of Participation, and I hereby accept and agree to the terms and conditions set forth in such document.



William L. Jews

Date: January 14, 2002

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